



Public Service Commission

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PSC Demands Improvements to Utility Billing and Crediting Processes for Community Distributed Generation

ALBANY — The New York State Public Service Commission (Commission) today directed utilities to file implementation plans regarding the automation of Community Distributed Generation (CDG) billing and established a process for the development of CDG billing performance metrics.

“Community Distributed Generation expands consumer access to reliable, clean electricity generated from renewable energy facilities,” **said Commission Chair Rory M. Christian.** “This creative program creates opportunities for low- and moderate-income families and puts customers who do not own homes on an equal footing with traditional single-home customers by providing increased access to electricity generated from renewable resources and lower monthly bills. Getting the utility billing and crediting processes performing accurately and timely for these programs is of the utmost importance to ensure their success.”

With today’s action, the Commission directed each of the State’s electric utilities to file an implementation plan regarding the billing of CDG, and it initiated a process to develop future CDG billing metrics. The utility implementation plans, and any proposed metrics, will come back before the Commission for approval.

The benefits of CDG development can only be realized if the billing and crediting of CDG members is performed accurately and in a timely manner. The process initiated today is necessary to address the ongoing CDG billing issues originating with the distribution utilities.

On July 17, 2015, the Commission authorized CDG in New York State, enabling customers for whom rooftop solar was not a viable option to directly participate in and enjoy the benefits of renewable energy programs. As part of the CDG program, CDG sponsors can develop an eligible generation project, usually a solar photovoltaic system, connected to a utility distribution network, and enroll customers served by that utility, as members. Members then receive credits on their utility bills for the energy the CDG project injects into the utility’s distribution system. In return, members pay the CDG Sponsor a monthly subscription fee, which may be fixed or variable, but that is generally designed to be some amount less than the value of the credits the customer receives. This process requires that the customer receive two separate monthly bills – one from the utility for delivery service including the bill credits and another from the CDG Sponsor for the subscription fee.

On March 29, 2022, Department of Public Service staff filed a straw proposal on opt-out CDG that, among other things, provided recommendations related to the utility billing of CDG generally aimed at

addressing ongoing CDG billing issues. The recommendations surrounding CDG billing were just one component of the larger straw proposal, which focused primarily on the establishment of an opt-out CDG program in New York. Those broader recommendations are currently under consideration and would be taken up at a future Commission session. Today's order instead focuses only on the future process necessary to ensure customers participating in a CDG program receive accurate and timely bills from their utility.

Along those lines, the order approved today initiates a process focused on developing CDG billing performance metrics, including a potential financial penalty tied directly to the utilities' CDG crediting and billing performances. Additionally, today's order directs the investor-owned utilities who have filed tariffs related to CDG to file implementation plans associated with automated CDG billing. These implementation plans include: (1) the current billing system constraints preventing full CDG billing automation; (2) the billing system changes necessary to effectuate automated CDG billing; and (3) the steps and timeline to achieve full automation of CDG billing.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Numbers 14-M-0224, 15-E-0082 and 19-M-0463 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.